

LAROCHE YOUTH MOVEMENT BUILDS GROUNDSWELL

## State Reps Sponsor LaRouche's Bill To Stop Foreclosures

by Lewis Whilden, LaRouche Youth Movement

A political earthquake erupted in the Pennsylvania State House, followed by a significant tremor in the State House in Michigan, with the introduction of resolutions in both states, calling on the Federal government to adopt Lyndon LaRouche's Homeowner's and Bank Protection Act (HBPA). Pennsylvania State Rep. Harold James and Michigan State Rep. LaMar Lemmons, Jr. introduced the measures in their respective states on Sept. 27, in what are the latest in a cornucopia of endorsements and resolutions put forward by state officials from Missouri, New Hampshire, Tennessee, and Alabama. *However*, if these were the only resolutions to be filed in the United States, then LaRouche's plan for an immediate moratorium on home foreclosures would be stopped cold, eaten by the hedge-fund crocodiles before a single member of Congress could be moved to act. It is now the end of September, and LaRouche's deadline for Federal intervention is approaching. This extremely important activity at the state level is the first step to bringing LaRouche's HBPA to the Congress. To make this a reality, we must escalate!

The LaRouche Youth Movement recently deployed into the Pennsylvania State House in Harrisburg to organize representatives to co-sponsor Harold James's resolution. There, we found a unique, fertile field of potential, mainly because of the leadership that James has shown throughout the years. It is no coincidence that the first major shot in this fight was in Harrisburg. Representative James was the first elected official to endorse LaRouche for President in 2004. In 1996, he also introduced legislation to tax speculative financial transfers, as a means of generating the funds to provide for the general welfare of the citizens of Pennsylvania. The breakthrough on the HBPA is the result of the cumulative effect of our organizing in Pennsylvania throughout the years. The legislators we spoke to were very knowledgeable about LaRouche's leadership, and had a lot of respect for Harold James. As of this writ-

ing, James's resolution has 35 bipartisan co-sponsors: 31 Democrats 4 Republicans, including 13 Democratic committee chairmen, 2 Republican committee vice chairmen, and 1 republican caucus leader. In all, this represents 17% of the legislature, and nearly one third of the Democrats in the Pennsylvania House.

The groundswell for LaRouche's "firewall" policy is an initial blow to the hedge fund lobby that is looking to obstruct any impulse among Congressmen to protect the general welfare. With the resolutions in Harrisburg and Lansing, we have punctured the enemy lines, and now, to win the war, we must charge through with everything we've got. Imagine, if once the American forces at Normandy had made it to the beach, only then to take off their shirts and start to sunbathe. That is not the kind of war we are running!

It is important to immediately spread this momentum to the state houses in the Midwest, West Coast, New England, the South, and *all* of the states that are hit hardest by the mortgage crisis. In this way, you can insure that the Pennsylvania and Michigan resolutions do not become a target of the oligarchy. To guarantee the success of this fight, the LaRouche Youth Movement has targeted state houses throughout the country.

One representative in Harrisburg, while also ripping into his own Congressman for his inaction on everything, expressed doubt that the Congress would do anything if given a resolution from the Pennsylvania State House. We told him that our own mobilization involves getting resolutions passed in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, Texas, Alabama, Michigan, Ohio, California, Washington State, Missouri, i.e., all of the states in which our youth movement is either directly involved in statehouse organizing, or we have legislator collaborators who are introducing LaRouche's legislation, as Representative James has

done. The legislator responded “Now that’ll work. I’ll support this resolution, if that’s what you’re doing.”

What follows is a small glimpse at what the youth movement is doing.

## Our Fight in the Midwest

The Harrisburg effect spread first to Michigan, where our organizing has resulted in Rep. LaMar Lemmons, Jr.’s resolution receiving, at the time of this writing, 20 co-sponsors—one-fifth of the entire legislature, and nearly one-third of all the Democratic representatives in the State House!

The eyes of the world right now are on the Midwest, a region hit devastatingly hard not only by home foreclosures (with the Detroit area being #2 in foreclosure rates), but also the theft of the citizens’ means for survival with the shutdown of industry and manufacturing. The government of Michigan is threatening shut down due to its bankruptcy, and the state of Ohio is similarly bankrupt. Because of the Midwest’s past in the development of our nation, as a center for the implementation of new technologies, it has been an area targeted for destruction. The Midwest, however, is also the region where a revolution of the type LaRouche is calling for is most likely to start because of this history. As one organizer said to a state representative who wanted to know if anyone had introduced our resolution at the Federal level, “You are not going to find anyone, because the nation is looking to the Midwest to show leadership on this.”

We’ve intervened in the state house in not only Lansing, Michigan, but also Columbus, Ohio. In both state houses, we found ourselves fighting the localist attitudes of the legislators. They are obsessed with solving the immediate crisis for their constituents who are becoming homeless, but we insisted that if they do not fight for an FDR solution on the Federal level, then they are wasting their time. Why only give the man in the desert a glass of water, when you can take him out of the desert!

In Columbus, our strategy was to play LaRouche’s “Fire-wall Chat,” an 8½-minute audio statement on the foreclosure crisis, to everyone we met with, and managed to play it 18 times with a lot of good responses and questions afterward. We had a total of 32 meetings. We were also able to have many impromptu meetings, and there was a level of openness in Columbus that we have never experienced there before. This was perhaps due to the current crisis, with many Ohio cities being amongst the top 100 areas in foreclosures, and the developing crisis with the impaired mortgage assets of the state-chartered National City Bank.

Our organizers were very enthusiastic about the potential of the legislators they met with, and we received general support, but some work needs to be done to show the Ohio legislature how to be leaders. The legislature is comprised of Franklin Roosevelt Democrats and McKinley Republicans, but one organizer compared their behavior to owls: “WHO are you guys talking to? WHO has endorsed this resolution? WHO in Washington is willing to introduce this legislation?”

WHO? WHO? WHO!” It seems that no one, at this point, is willing to introduce the resolution, until they get some sort of approval from others. They may move with the idea, but no one yet is willing to stick their neck out onto the hedge funds’ chopping block. The situation in Ohio requires a leader. *who* will it be?

## Foreclosed in New England?

Our organizers in Boston have travelled to state houses all over New England—the capitals of Massachusetts, New Hampshire, Connecticut, and Rhode Island, as well as New York—where they have been well-received. New England has many cities listed in the top 100 foreclosure rate list. We also attended hearings held by the Massachusetts Attorney General on the crisis in four of the state’s hardest-hit cities (see *EIR* Sept. 28).

In Connecticut, we took advantage of an emergency session of the legislature. Our strategy in was to have meetings with the representatives’ aides, followed up by calling the lawmakers “off the floor.” The reps we talked to were most enthusiastic about the idea of their states participating in a national mobilization. We briefed them extensively about our activities in state houses around the country.

When we talked to one aide in her office, she had just gotten off the phone with an LaRouche PAC organizer from our national center in Leesburg, Virginia, with whom she had already discussed the HBPA. She told us about her own family’s experience with a bad mortgage that ended up in the hands of a company other than the bank that originated the mortgage. When we pulled her representative off the floor of the House, he agreed that it was necessary to deal with the crisis now, but thought he couldn’t do much because of the bureaucracies in both the state house and the Federal government. We challenged him to see that it was precisely the bureaucratic policies in Washington that have destroyed the economy, and that the issue of leadership is having the courage to buck this bureaucracy.

Another rep expressed the common argument that “the market” ought to sort this out. Concerning the revaluation of mortgages in the foreclosure moratorium stage, he asked, “Shouldn’t the law of supply and demand determine that?” Our organizers compared the law of supply and demand to somebody’s libido determining their daily decisions, and attacked Adam Smith as the originator of the idea that economy is driven by society’s sex drive. After this polemic, the legislator asked seriously, “What’s your plan?”

With the targeting of multiple state houses in the New England area, and the damage that the foreclosure crisis has done to New Englanders, a breakthrough on the northeastern flank is imminent.

## And California?

As emphasized earlier, the key to the success of this mobilization is to spread the Harrisburg effect. The pressure

that will force the Congress to act must come from the states. To win this fight, many more local leaders around the country have to put the kind of pressure on their Congressmen that is as unbearable as the reality of the crisis is for the average citizen. The region that is thus far conspicuously missing from this fight is California, a state that has one of the highest foreclosure rates in the nation. This silence comes despite the intensive work of the LYM and State Assemblyman Mervyn Dymally. When Dymally tried to introduce this to a recent California Legislative Black Caucus meeting, the resolution was shot down in favor of discussing Governor Schwarzenegger's energy policies. Besides this go-along-to-get-along farce, the LYM have contacted 70 city councils out of the 90 in Los Angeles County, and have maintained a continuous presence at the state house in Sacramento.

With the victories in Pennsylvania and Michigan, the first few bricks in LaRouche's firewall have been laid!

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## Documentation

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# Pennsylvania Action To Stop Foreclosures

*Pennsylvania State Rep. Harold James introduced the following resolution, HR 418, on Sept. 27. It has already been co-sponsored by 35 members of the legislature (see [www.larouchepac.com](http://www.larouchepac.com) for list of co-sponsors.)*

### Resolution

Memorializing Congress to take emergency action to protect homeowners and banks and enact a Homeowners and Banks Protection Act.

WHEREAS, The onrushing financial crisis involving home mortgages, debt instruments of all types and the banking system of the United States threatens to set off an economic collapse worse than the Great Depression of the 1930s; and

WHEREAS, Millions of Americans are faced with foreclosures and loss of their homes over the coming months; and

WHEREAS, The hedge funds which spread this financial collapse among markets worldwide, by dominating speculation in all those markets, are now going bankrupt and demanding government bailout of their securities and derivatives, and the nominal value of the derivatives based on mortgages alone is the size of the combined GDP of the nations of the world; and

WHEREAS, This financial crisis threatens the integrity of

both Federal and State chartered banks, as typified by the run on deposits of Countrywide Financial Corporation in California on August 16, which could wipe out the life savings of too many American people and drastically undermine the economic stability of our states and cities; and

WHEREAS, Under similar circumstances in the 1930s, President Franklin D. Roosevelt successfully intervened to protect banks and homeowners, addressing Congress with a "declaration of national policy" on April 13, 1933, which stated "that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect homeowners from inequitable enforced liquidation in a time of general distress is a proper concern of the Government"; therefore be it

RESOLVED, That the House of Representatives of the Commonwealth of Pennsylvania call upon Congress to take emergency action to protect homeowners and banks by enacting a Homeowners and Banks Protection Act specifically to:

(1) Establish a Federal agency to place Federal and State chartered banks under protection, freezing all existing home mortgages for a period of time, adjusting mortgage values to fair prices, restructuring existing mortgages at appropriate interest rates and writing off speculative debt obligations of mortgage-backed securities, financial derivatives and other forms of financial pyramid schemes that have brought the banking system to the point of bankruptcy.

(2) Declare a moratorium on all home foreclosures for the duration of the transitional period, allowing families to retain their homes. Monthly payments, the equivalent of "rental payments," shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking system. These affordable monthly payments will be factored into new mortgages, reflecting the orderly deflating of the housing bubble, the establishment of appropriate property valuations and reduced fixed mortgage interest rates. While this may take several years to achieve, in the interim period no homeowner shall be evicted from his or her property, and the Federal and State chartered banks shall be protected so that they can resume their traditional functions, serving local communities and facilitating credit for investment in productive entities.

(3) Authorize governors of several states to assume the administrative responsibilities for implementing the program, including the "rental" assessments to designated banks, with the Federal Government providing the necessary credits and guarantees to assure the successful transition;

and be it further

RESOLVED, That a copy of this resolution be transmitted to the President of the United States and to each member of the Pennsylvania Congressional delegation for immediate action.